

**FISCAL BIENNIUM 2004-2006 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

Table of Contents

<u>VOLUME 1</u>	<u>PAGE</u>	<u>PAGE</u>
<u>COMMONWEALTH BUDGET SUMMARY</u>		
General Fund Budget Summary	1	Part XVII Motor Fuels Tax 123
Other Budgetary Resources	3	Part XVII Individual Income Tax 131
Budget Lapses and Other Savings	5	Part XIX Motor Vehicle Usage and Sales Tax Exemptions 141
Fund Transfers (Part V)	7	Part XX Kentucky Data Research Initiative 151
Road Fund Summary	11	Part XXI Kentucky's Affordable Prepaid Tuition (KAPT) Contracts 153
Commonwealth Operating Budget Summary	13	Part XXII Phase II Tobacco Settlement Payments 157
Commonwealth Capital Budget Summary	15	Part XXIII Property Tax Exemptions Reciprocity 163
		Part XXIV Tourism Development 165
		Part XXV Tobacco Surtax For Cancer Research Institutions 179
		Matching Fund
Operating Budget - Total Funds	17	Part XXVI Payment of Claims Against the Commonwealth 185
Operating Budget - General Fund (Tobacco)	18	
Operating Budget - General Fund	19	<u>VOLUME Ia</u>
Operating Budget - Restricted Funds	21	Infrastructure for Economic Development Fund for Tobacco Counties 207
Operating Budget - Federal Funds	22	Infrastructure for Economic Development Fund for Coal Counties 233
Operating Budget - Road Fund	23	Coal Severance Tax Projects 249
Operating Budget - Bond Funds	24	
		<u>VOLUME II</u>
<u>STATE/EXECUTIVE BUDGET SUMMARY</u>		
Executive Branch Summary - Operating	25	General Government 277
Executive Branch Summary - Capital	27	
Judicial Branch - Operating Budget	29	<u>VOLUME III</u>
Legislative Branch - Operating Budget	31	Commerce 413
Bond Projects Record	33	Economic Development 467
		Department of Education 491
		Education 541
<u>GENERAL AND SPECIAL PARTS AND SECTIONS</u>		
Part II Capital Projects Budget	37	<u>VOLUME IV</u>
Part III General Provisions	41	Environmental and Public Protection 601
Part IV State Salary/Compensation & Employment Policy	59	Finance and Administration 689
Part VI General Fund Budget Reduction Plan	65	Health and Family Services 741
Part VII General Fund Surplus Expenditure Plan	67	
Part VIII Road Fund Budget Reduction Plan	69	<u>VOLUME V</u>
Part IX Road Fund Surplus Expenditure Plan	71	Justice and Public Safety 809
Part X Phase I Tobacco Settlement	73	Personnel 869
Summary of Tobacco Settlement Appropriations	79	Postsecondary Education 897
Part XII Legislative Branch	83	Transportation 1031
Part XIII Judicial Branch	85	Necessary Governmental Expenses 1075
Part XIV Motor Vehicle Usage Tax	93	
Part XV Driver's License Fees	105	<u>VOLUME VI</u>
Part XVI Sells and Use Tax	111	FB 2004-2006 Biennial Highway Construction Plan 1079